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Ref.: UNDP/RR/2012/1592

Date: 26 November 2012

Excellency,

Subject: PPEM project implementation and liquidation of advance transfers

Reference is made to the Letter of Agreement (LoA) signed between UNDP and the North Darfur Ministry of Finance on 25 July 2012, on the implementation of the Planning and Public Expenditure Management (PPEM) project in Darfur under UNDP's National Implementation Modality (NIM).

The LoA, which will expire on 31 December 2012, stipulated that UNDP will provide funds amounting to SDG 1,103,871 in two tranches and the Ministry of Finance shall be fully responsible for carrying out, with due diligence and efficiency, all activities in accordance with its financial regulations and rules. The Ministry shall also submit cumulative financial reports for each quarter together with narrative progress reports relating to the activities. Subsequently, UNDP transferred the first tranche of SDG 1,036,031 in August 2012 to the General Account of the Ministry of Finance, Economy and Civil Service (Account No. 69122001001) at the Bank of Sudan, El Fasher branch. The Ministry of Finance also made a contribution of SDG 150,000 (equivalent at the time to USD 52,083.3) to the project.

From follow-up meetings and discussions with the project focal point at the Ministry, UNDP has learned that project activities are not progressing on schedule. I would like to bring to your attention the negative implications that a delay in implementation of project activities and submission of financial and progress reports will have on achieving the overall project objectives:

- The latest date the first tranche can be liquidated in UNDP's financial system is 10 December 2012 as per UNDP's corporate financial policy. The liquidation can only be affected once the financial report is received from the implementing partner
- The expiry date of the LoA is 31 December 2012. In order to extend project activities into 2013, a no-cost extension of the LoA needs to be requested by the implementing partner. However, it will be difficult to justify such an extension request in the absence of any progress in implementing activities; and

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H.E. Dr. Abdo Daud Sulayman
Minister
Ministry of Finance, Economic Planning and Civil Service
North Darfur State

- The overall slow delivery of the project will negatively affect our resource mobilization efforts for 2013 and beyond.

In view of the above, I kindly request you to speed up the implementation of project activities and submit the agreed progress and financial reports to enable us to liquidate the first tranche as soon as possible. If you require any support, please kindly contact our project team based in El Fasher.

For further information or clarification, please contact the UNDP Regional Programme Manager overseeing this project: Christopher Laker on christopher.laker@undp.org and Phone No. +249-912500277.

Sincerely,



Sayed Aqa
Resident Representative a.i.
UNDP Sudan